

CITY COURT OF RAYNE, LOUISIANA**Financial Report****Year Ended September 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/14/10

CITY COURT OF RAYNE, LOUISIANA

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Thibodeaux & Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITORS REPORT

The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the City Court of Rayne, a component unit of City of Rayne, as of and for the year ended September 30, 2009, which collectively comprise the City Court of Rayne's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City Court of Rayne's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the City Court of Rayne, Louisiana as of September 30, 2008 were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated February 6, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the City Court of Rayne, Louisiana at September 30, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010 on our consideration of the City Court of Rayne's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The City Court of Rayne has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James Cunningham, Judge
City Court of Rayne, Louisiana

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Rayne, Louisiana's basic financial statements. The accompanying information listed as other supplementary information in the table of contents and the budgetary comparison schedules listed as required supplementary information in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements of the City Court of Rayne. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Thibodeaux & Company
A Limited Liability Company

Rayne, Louisiana
March 8, 2010

Basic Financial Statements

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF NET ASSETS

September 30, 2009

	General Fund	TOTALS	
		2009	(Memo Only) 2008
ASSETS			
Cash and cash equivalents	\$ 113,427	\$ 113,427	\$ 116,543
Receivables	11,405	11,405	14,878
Total Assets	<u>\$ 124,832</u>	<u>\$ 124,832</u>	<u>\$ 131,421</u>
LIABILITIES			
Liabilities			
Accounts payable	\$ 7,936	\$ 7,936	\$ 10,369
Total Liabilities	<u>\$ 7,936</u>	<u>\$ 7,936</u>	<u>\$ 10,369</u>
NET ASSETS			
Unrestricted	\$ 116,896	\$ 116,896	\$ 121,052
Total Net Assets	<u>\$ 116,896</u>	<u>\$ 116,896</u>	<u>\$ 121,052</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES

September 30, 2009

	General Fund	TOTALS	
		2009	(Memo Only) 2008
<u>GOVERNMENTAL ACTIVITIES:</u>			
EXPENSES			
Judiciary:			
Travel and professional development	\$ 15,121	\$ 15,121	\$ 11,139
Operating services	211,232	211,232	217,353
Office expense	863	863	1,331
Total Expenses	<u>\$ 227,216</u>	<u>\$ 227,216</u>	<u>\$ 229,823</u>
PROGRAM REVENUES			
Costs assessed for court	<u>\$ 223,060</u>	<u>\$ 223,060</u>	<u>\$ 226,013</u>
Net Program Expense	<u>\$ 223,060</u>	<u>\$ 223,060</u>	<u>\$ 226,013</u>
Change in Net Assets	\$ (4,156)	\$ (4,156)	\$ (3,810)
Net Assets - Beginning of the Year	<u>121,052</u>	<u>121,052</u>	<u>124,862</u>
Net Assets - End of Year	<u>\$ 116,896</u>	<u>\$ 116,896</u>	<u>\$ 121,052</u>

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF RAYNE, LOUISIANA

GOVERNMENTAL FUND BALANCE SHEET

September 30, 2009

	General Fund	TOTALS	
		2009	(Memo Only) 2008
ASSETS			
Cash and cash equivalents	\$ 113,427	\$ 113,427	\$ 116,543
Receivables	11,405	11,405	14,878
Total Assets	<u>\$ 124,832</u>	<u>\$ 124,832</u>	<u>\$ 131,421</u>
LIABILITIES			
Accounts payable	\$ 7,936	\$ 7,936	\$ 10,369
Total Liabilities	<u>\$ 7,936</u>	<u>\$ 7,936</u>	<u>\$ 10,369</u>
FUND BALANCE			
Unrestricted	<u>\$ 116,896</u>	<u>\$ 116,896</u>	<u>\$ 121,052</u>
Total Liabilities and Fund Balances	<u>\$ 124,832</u>	<u>\$ 124,832</u>	<u>\$ 131,421</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

Fund Balances - Total Governmental Funds	\$ 116,896
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Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and therefore
reported in the funds.

Governmental Capital Assets	\$ 6,145
Less: Accumulated Depreciation	<u>(6,145)</u>

Net Assets of Governmental Activities	<u>\$ 116,896</u>
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The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE
September 30, 2009

	General Fund	
	2009	(Memo Only) 2008
Revenues:		
Criminal Fees	\$ 145,459	\$ 157,541
Civil Court Fees	77,505	68,051
Miscellaneous	96	421
Total Revenues	<u>\$ 223,060</u>	<u>\$ 226,013</u>
Expenditures:		
General Government--Judicial	\$ 227,216	\$ 229,823
Total Expenditures	<u>\$ 227,216</u>	<u>\$ 229,823</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (4,156)	\$ (3,810)
Fund Balance, Beginning of Year	<u>121,052</u>	<u>124,862</u>
Fund Balance, End of Year	<u><u>\$ 116,896</u></u>	<u><u>\$ 121,052</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2009

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (4,156)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (4,156)</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA
 STATEMENT OF FIDUCIARY NET ASSETS
 September 30, 2009

		TOTALS	
	Agency Fund		(Memo Only)
		2009	2008
ASSETS			
Cash and cash equivalents	\$ 72,241	\$ 72,241	\$ 84,481
Total Assets	<u>\$ 72,241</u>	<u>\$ 72,241</u>	<u>\$ 84,481</u>
LIABILITIES			
Accounts payable	\$ 19,057	\$ 19,057	\$ 25,056
Held for others pending court action	53,184	53,184	59,425
Total Liabilities	<u>\$ 72,241</u>	<u>\$ 72,241</u>	<u>\$ 84,481</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

September 30, 2009

	Agency Fund	TOTALS	
		2009	(Memo Only) 2008
ADDITIONS			
Deposits	\$ 348,591	\$ 348,591	\$ 351,560
Total Assets	<u>\$ 348,591</u>	<u>\$ 348,591</u>	<u>\$ 351,560</u>
DEDUCTIONS			
Amounts Disbursed	\$ 354,832	\$ 354,832	\$ 340,377
Total Deductions	<u>\$ 354,832</u>	<u>\$ 354,832</u>	<u>\$ 340,377</u>
CHANGE IN NET ASSETS	\$ (6,241)	\$ (6,241)	\$ 11,183
Net Assets - Beginning	<u>59,425</u>	<u>59,425</u>	<u>48,242</u>
Net Assets - Ending	<u>\$ 53,184</u>	<u>\$ 53,184</u>	<u>\$ 59,425</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF RAYNE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

September 30, 2009

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the City Court of Rayne, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, Issued in June 1999.

Financial Reporting Entity:

The City Court Judge is an independently elected official and is a part of the operations of the City Court system. The City Court of Rayne is fiscally dependent on the City of Rayne for office space and courtrooms. The City of Rayne also has approval authority over the City Court's capital budget. For these reasons, the City Court of Rayne is a component unit of the City of Rayne.

Fund Accounting:

The accounting system of the City Court of Rayne is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on certain activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds maintained by the Court consist of the following major categories:

Governmental Funds

Governmental Funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and the general operating expenses of the court.

General Fund—The general fund derives its revenues from charges made through the criminal court system and the civil court system, and expends these funds for certain operations of the court.

Fiduciary Funds

Fiduciary Funds—Fiduciary funds are used to account for assets held by the Court as an agent for other governments, individuals, or funds. The court maintains two agency funds:

Trust Fund—The Trust Fund collects on judgements, traffic fines and receives traffic bonds pending final settlement. The Trust Fund makes payments in settlements of suits, and the traffic bonds are either refunded, or paid out as fines and court costs. The court costs are paid to the General Fund and the fine portion is paid to another government agency on traffic fines and forfeited traffic bonds.

Marshall's Trust Fund—This agency fund accounts for the collection of worthless checks and fines and court costs on State charges. Payments are made to other governmental agencies and for restitution on the worthless checks.

Basis of Accounting:

The modified accrual basis of accounting is utilized for the General Fund whereby revenues are recognized when they become available and measurable and expenditures when they are incurred. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Vacation and Sick Leave:

The City Court of Rayne has no vacation or sick leave policies as of September 30, 2009.

Note 2. Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the court as a whole. These statements include all the financial activities of the court. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Reconciliation

There are no reconciliation items at September 30, 2009.

Note 3. Budgets

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended prior to year end.

Note 4. Cash and Cash Equivalents

Cash consists of funds in non-interest bearing checking accounts and interest bearing passbook accounts. The City Court of Rayne has no cash equivalents such as time deposits and money market accounts.

Note 5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Note 6. Deposits with Financial Institutions

The City Court of Rayne bank balances of deposits with financial institutions amounted to \$ 195,214 at September 30, 2009 and are fully insured.

Note 7. Capital Assets

All Capital Assets are maintained and owned by the City of Rayne.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2009

Note 8. Expenses of City Court of Rayne Not Included in This Report

The accompanying financial statements do not include certain expenses of the City Court of Rayne that are paid out of the funds of the City of Rayne.

Note 9. Related Party Transactions

At September 30, 2009, there are no related party transactions and related amounts receivable or payable.

Note 10. Litigation

The City Court of Rayne has no threatened or pending litigation against it at September 30, 2009.

Required Supplemental Information

CITY COURT OF RAYNE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2009

With Comparative Actual Amounts for Year Ended September 30, 2008

	2009				2008
	Budget		Actual	Variance— Positive (Negative)	Actual
	Original	Final			
Revenues:					
Criminal fees	\$ 165,100	\$ 168,100	\$ 145,459	\$ (22,641)	\$ 157,541
Civil court fees	81,100	85,397	77,505	(7,892)	68,051
Miscellaneous	-	-	96	96	421
Total Revenues	<u>\$ 246,200</u>	<u>\$ 253,497</u>	<u>\$ 223,060</u>	<u>\$ (30,437)</u>	<u>\$ 226,013</u>
Expenditures:					
General government--judicial					
Indigent defender	\$ 40,600	\$ 42,200	\$ 38,288	\$ 3,912	\$ 39,023
Crime lab	7,900	7,900	7,056	844	7,602
Reparation fund	2,350	2,350	3,614	(1,264)	2,380
Witness fund	6,100	6,100	5,456	644	3,424
District Attorney	3,600	2,600	2,612	(12)	3,611
Law enforcement commission	3,850	4,250	3,604	646	3,664
DWI fees	5,600	4,000	3,985	15	5,690
Retirement	11,500	9,400	9,625	(225)	10,490
Marshall services	41,000	45,100	42,974	2,126	39,863
Other fees	4,000	4,400	3,923	477	4,039
Compensation	59,000	55,600	51,290	4,310	58,995
Clerk fees	9,000	10,300	11,362	(1,062)	12,190
Convention and meetings	10,000	10,000	15,121	(5,121)	11,139
Recording fees	13,000	12,600	13,401	(801)	12,784
Dues and subscriptions	-	-	-	-	1,666
Office expense	1,100	900	863	37	1,331
Building & maintenance	5,100	5,500	1,234	4,266	-
Refunds	2,700	2,700	3,810	(1,110)	2,525
Miscellaneous	16,500	18,827	8,998	9,829	9,407
Total Expenditures	<u>\$ 242,900</u>	<u>\$ 244,727</u>	<u>\$ 227,216</u>	<u>\$ 17,511</u>	<u>\$ 229,823</u>
Excess Revenues over Expenditures	\$ 3,300	\$ 8,770	\$ (4,156)	\$ (12,926)	\$ (3,810)
Fund Balance, Beginning of Year	\$ 121,052	\$ 121,052	\$ 121,052	\$ -	\$ 124,862
Fund Balance, End of Year	\$ 124,352	\$ 129,822	\$ 116,896	\$ (12,926)	\$ 121,052

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES - GENERAL FUND

September 30, 2009

With Comparative Amounts for Year Ended September 30, 2008

	General Fund	
	2009	(Memo Only) 2008
Expenditures:		
General government--judicial		
Indigent defender	\$ 38,288	\$ 39,023
Crime lab	7,056	7,602
Reparation fund	3,614	2,380
Witness fund	5,456	3,424
District Attorney	2,612	3,611
Law enforcement commission	3,604	3,664
DWI fees	3,985	5,690
Retirement	9,625	10,490
Marshall services	42,974	39,863
Other fees	3,923	4,039
Compensation	51,290	58,995
Clerk fees	11,362	12,190
Convention and meetings	15,121	11,139
Recording fees	13,401	12,784
Dues and subscriptions	1,234	1,666
Office expense	863	1,331
Refunds	3,810	2,525
Miscellaneous	8,998	9,407
Total Expenditures	<u>\$ 227,216</u>	<u>\$ 229,823</u>

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

Thibodeaux & Company

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

We have audited the accompanying statements of the governmental activities and the aggregate remaining fund information of City Court of Rayne, a component unit of the City of Rayne, as of and for the year ended September 30, 2009, which collectively comprise the City Court of Rayne's basic financial statements and have issued our report thereon dated March 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City Court of Rayne's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Rayne's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City Court of Rayne's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City Court of Rayne's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City Court of Rayne's financial statements that is more than inconsequential will not be prevented or detected by the City Court of Rayne's internal control. We consider the deficiencies described in the accompanying schedule of findings as items 2009-1 and 2009-3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City Court of Rayne's internal control.

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The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 to be material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Rayne's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2009-2 and 2009-4.

City Court of Rayne's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit City Court of Rayne's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others in the organization and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Therefore, its distribution is not limited.

Thibodeaux & Company
A Limited Liability Company

Rayne, Louisiana
March 8, 2010

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings
Year Ended September 30, 2009

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City Court of Rayne, Louisiana's basic financial statements as of and for the year ended September 30, 2009.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed by the audit of the financial statement.

Material Noncompliance - Financial Reporting

The results of our tests disclosed two instances of noncompliance required to be reported under *Government Auditing Standards*.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2009-1 Finding: Financial Statements Not in Accordance With GAAP

The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

We recommend that the City Court outsource this task to ensure the recording of the courts financial transactions in accordance with GAAP.

2009-2 Finding: Reconciliation of Civil Court Fund

The cash balance of the Civil Court Fund is not reconciled to the individual balances.

Recommendation:

The City Court should reconcile the cash balance of the Civil Court Fund, transfer to the General Fund any fees that have been earned by the City Court, return any monies for suits that have been settled or inactive for five years, and any funds that are abandoned or unknown be forwarded to the State Treasury in accordance with the Uniform Unclaimed Property Act. The cash balance of the Civil Court Fund should be reconciled monthly.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings (Continued)

Year Ended September 30, 2009

2009-3 Finding: Traffic Citations Not Reconciled Monthly

Citations sent to the District Attorney's office were not being documented in the system by the police department. *The City Court did not reconcile traffic citations monthly to ensure that all citations have been accounted for and final disposition recorded.*

Recommendation:

City Court should reconcile the traffic citations monthly to ensure all citations have been accounted for and final dispositions are recorded. The police department should document in the system shared with City Court those citations sent to the District Attorney's office.

2009-4 Finding: Budget Violation

City Court did not properly amend their budget and failed to meet budgeted revenues by more than 5%.

Recommendation:

The City Court should comply with Louisiana Revised Statute 39:1309 and amend its budget upon a change in operations.

CITY COURT OF RAYNE, LOUISIANA

Corrective Action Plan Year Ended September 30, 2009

Response to Findings:

- 2009-1 The court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.
- 2009-2 The City Court will reconcile the Civil Funds cash balance to the individual balances, transfer earned fees to the General Fund, return any funds for inactive or settled suits and forward any unknown or abandoned monies to the State Treasury. We will also implement policies and procedures to *reconcile the cash balances of the Civil Fund each month.* City Court has implemented procedures to track the individual balances, earned fees, etc. for the current civil funds. The City Court has consulted with their software developer to assist in reconciling the civil funds cash balance. Currently, they are working to properly account for and report the transactions of this fund.
- 2009-3 City Court will reconcile the traffic citations monthly to ensure that all citations have been received and/or accounted for and final dispositions recorded.
- 2009-4 Management will utilize the budget and make revisions as they become necessary.

CITY COURT OF RAYNE, LOUISIANA

Summary Schedule of Prior Audit Findings Year Ended September 30, 2009

2008-1 The City Court did not have adequate segregation of functions within the accounting system.

Recommendation: We recommend that the City Court implement written policies and procedures to ensure the proper segregation of duties.

Status: Resolved

2008-2 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation: We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

Status: Unresolved

2008-3 The cash balance of the Civil Court Fund is not reconciled to the individual balances.

Recommendation: The City Court should reconcile the cash balance of the Civil Court Fund, transfer to the General Fund any fees that have been earned by the City Court, return any monies for suits that have been settled or inactive for five years, and any funds that are abandoned or unknown be forwarded to the State Treasury in accordance with the Uniform Unclaimed Property Act. The cash balance of the Civil Court Fund should be reconciled monthly.

Status: Partially Resolved

2008-4 Citations sent to the District Attorney's office were not being documented in the system by the police department. The City Court did not reconcile traffic citations monthly to ensure that all citations have been accounted for and final disposition recorded.

Recommendation: City Court should reconcile the traffic citations monthly to ensure all citations have been accounted for and final dispositions are recorded. The police department should document in the system shared with City Court those citations sent to the District Attorney's office.

Status: Unresolved